

TESTIMONY

UNITED STATES SENATE



COMMITTEE ON GOVERNMENTAL AFFAIRS

HEARING ON

ILLICIT DIAMONDS, CONFLICT and TERRORISM: THE ROLE OF U.S. AGENCIES IN FIGHTING THE CONFLICT DIAMONDS TRADE



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February 13, 2002

TESTIMONY OF JOHN E. LEIGH AMBASSADOR OF SIERRA LEONE TO THE UNITED STATES

Mr. Chairman, Members of the Senate Committee on Governmental Affairs, Ladies and Gentlemen,

The People and Government of Sierra Leone welcome the continued attention and resources which the Senate of the United States is directing towards resolution of the devastation arising from the trade in illicit diamonds, including the illicit trade in Conflict Diamonds.

I am certain also that the people and governments of a number of other African countries, especially those of Angola, the Democratic Republic of Congo and the Republic of Guinea join the people and Government of Sierra Leone in saluting this Committee for its continued efforts to devise suitable legislation to bring to an end a trade that enriches a few in the rich industrial countries; empowers criminals and terrorists worldwide but violently destroys the lives and livelihoods of millions of poor people in impoverished societies in Africa.

The international diamond trade is big business. The worldwide retail trade in diamond jewelry was estimated at approximately \$60 billion in 1999. Conflict Diamonds account for anywhere from 4% to 15% of this volume. The total portion of the trade that is accounted for by illicit or contraband diamonds from all sources, including Conflict Diamonds, is an estimated 20% or \$24 billion annually.

It is my view that the large role which contraband diamonds occupy in the diamond trade is behind the stiff resistance to the effective reform of the international diamond trade. Contraband diamonds have been a prominent feature of the diamond trade for many, many decades and is the real precursor of Conflict Diamonds. When the nations of the

world did nothing to contain the highly profitable contraband diamond trade, it should have been foreseeable that violent criminals will seek to partake of its rich profits.

It is my view that the trade in illicit diamonds was behind the collapse of state power in Sierra Leone. Over a period of twenty years or so, official exports of rough diamonds from Sierra Leone declined from 1.3 million carats annually of gemstones to only 20,000 carats of industrial diamonds in 1997 even though there was no reduction in mining activities in Sierra Leone. The collapse of official exports deprived our then very corrupt Government of significant revenues to pay for public services. Soon, international crooks and criminals saw an opportunity to make more money by seizing the mines under false pretenses of seeking to

reform a declining and broken down society.

If there is one country in the world, therefore, that can be accurately described as the ground zero for the victims of the crimes associated with the trade in Conflict Diamonds then that country is Sierra Leone. Sierra Leone was selected because it was a weak, corrupt country with large amounts of easily accessible diamonds - gemstones that are among the world's largest and finest.

For nearly a decade beginning in March 1991, a ragtag rebel group calling itself the Revolutionary United Front ("RUF"), purported to wage a civil war for the purpose of bringing democracy, economic and social development in my homeland. There may or may not have been any truth to the said declaration at any time. What we do know is that at some point the rebels gained control of an area in Eastern Sierra Leone where alluvial diamonds were present. My country and her people have not been the same since.

With their easy access to diamonds, it did not take too long for the RUF to become a well-equipped army of several thousand trained troops unleashing a reign of terror against the people and Government of Sierra Leone. Their objective was to gain access to even more diamond deposits and eventually to overthrow the elected government and establish an outlaw state.

Had the RUF succeeded, Sierra Leone would today be another sanctuary for terrorists and the international Mafioso in West Africa, and populated by violated people.

The calling card of the RUF was the kidnapping of women and girls for sex and domestic servitude and the capture of young boys to serve as child soldiers forced to lead charges against government and ECOMOG troops while the ring leaders enjoyed themselves in the rear. Today, my country lies in ruins with the survivors bleeding and hundreds of thousands displaced both as refugees abroad and internally displaced persons.

Nevertheless, I am delighted to report that the RUF war has ended in victory for the forces of democracy, law and order and legitimate trade - thanks to the help generously given by United States, the United Kingdom, Canada and the nations of West Africa led by Nigeria and ably supported by the Republics of Guinea and Ghana.

Contraband diamonds come from many countries but Conflict Diamonds come from only a few countries supposedly blessed with easily accessible diamonds in alluvial plains. Alluvial diamonds are deposits of diamonds occurring in lowlands areas, in old river beds, in the beds of streams and shallow rivers in wide swaths of forested lands.

Most alluvial diamonds are usually found between 10-and-20 feet below the surface. Hence relatively little capital and only low-grade technology are required to mine alluvial diamonds. Alluvial diamonds are ideal for violent takings. Conflict Diamonds are always diamonds violently obtained by rebel-criminal groups from alluvial deposits and traded in exchange for the instruments of war.

In contrast to alluvial diamonds, there are kimberlite diamond deposits. Kimberlite deposits are deeply embedded thousands of feet inside the earth in narrow pipes. Mining kimberlites is, therefore, a capital intensive business. The pay off is that kimberlite mines can be secured relatively inexpensively. On the other hand, securing alluvial deposits presents major challenges and in some cases, it is a virtually impossible task.

It is thus instructive to note that the only countries undergoing wars for the control of the riches of the land are the three African countries with abundant alluvial diamond deposits: Angola, Congo and Sierra Leone.

Sierra Leone further supports legislative efforts to terminate the trade in Conflict Diamonds because effective legislation against the continuation of the illicit trade in Conflict Diamonds will also help to protect the legitimate trade in diamonds from a consumer boycott that will

surely come to pass if the wars for illicit diamonds continue to harm innocent people and destroy their fragile societies.

Sierra Leone wishes the prosperity in the diamond trade to continue but also desires that all illicit trading in diamonds - whether conflict diamonds or not - must come to an end.

Additionally, we in Sierra Leone believe that ending the illicit diamond trade as soon as possible in the immediate future is definitely in the foreign policy and national security interests of the United States for several reasons.

First, rebels in seeking deposits of alluvial diamonds to mine employ gratuitous violence against the local population and their property. It has been estimated that for each million dollars of looted diamonds obtained by violence, thousands of people are killed and nearly \$10 million worth of property is destroyed. Additional consequences include the massive involuntary movements of poor people from their homes, farms and places of employment and their institutions, as well as the destruction of infrastructure and the spread of terrible diseases.

This a situation then requires massive humanitarian, security and nation-building assistance, mostly through the United Nations and some regional organizations such as ECOMOG. The end result is invariably additional financial burden on American taxpayers and unspeakable suffering in Africa - situations that are preventable.

Ending the trade in Conflict Diamonds by legislation would thus help Americans conserve their assets while bringing peace to Africa.

Second, world class criminals, including members of the international Mafioso, are known to launder narco-dollars from the United States and Western Europe by financing rebel movements and otherwise investing in the illicit diamonds business in Africa and by trading illicit diamonds internationally. Once narco-dollars are cleansed, these criminals become economically and socially quite powerful and thus capable of causing more and bigger problems for law-abiding peoples and governments. It is clearly in the interest of the United States to prevent the cleansing of narco-dollars by criminals. Every effort should be made to dispossess criminals of their ill-gotten wealth.

Third, criminals tend to do business with other criminals, including terrorists as long as they are financially qualified. Hence it is not surprising that *Al Qaeda* and *Hezbollah* operatives are busy in West Africa buying under-priced, looted Sierra Leone diamonds and fencing them in Europe and elsewhere. Because terrorists could use profits from contraband diamonds, including Conflict Diamonds, to finance their violent activities against democratic societies, the United States has a strong interest in outlawing the trade in illicit diamonds and other plundered resources from Africa.

The United States has a responsibility to bring to an end the trade in illicit diamonds, including Conflict Diamonds because an estimated 70% of the international trade in diamonds is conducted in the United States. Thus, the United States has the market power to end the trade in Illicit Diamonds and I urge this Committee to devise legislation that would be effective.

Finally, the plunder of natural resources in Africa is widespread and has gone on for centuries. The Atlantic Slave Trade was the first major plunder of Africa. Today, a number of natural resources are forcibly taken away from Africa and brought into the West where they are fenced as legitimate trade goods. Diamonds are only one such product.

The greatest assistance which the United States can today render to the nations of Africa is to start a legislative process that will bring to a conclusive end the long-running plunder of Africa by making it impossible to fence in the United States goods plundered in abroad.

Thank you, Senators, for the opportunity to appear before you today on a matter that is of great importance to the people of Africa.

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